

sent by email
6/2/10

From: Paul Baker
To: Todd
Subject: Re: Gulch Mine Bond

I think the best choice is for you to reclaim part of the mine. The bond increase is not that much, so it wouldn't take a lot of reclamation. I have never been to the site, so I don't know what work you would do. I suggest you coordinate it with Wayne Western (801-538-5263) though Wayne is out of the office until June 14. Depending on how much of the site you need for the future, it's possible you might be able to get some bond released if you got it down to an acre or so.

We can keep the mine in an inactive status for up to 10 years as long as you continue to pay permit fees and keep the bond current. According to our records, you paid the permit fee when you originally submitted the NOI in 2005, but we haven't received anything since. You would owe \$150 for 2006, 2007, 2008, 2009, and the fee for 2010 will be due in July, so a total of \$750.

I really appreciate you responding to my message. Please let us know what you intend to do.

>>> "Todd" <todd@computersales.com> 6/2/2010 3:38 PM >>>

We have not been at that mine for years. It has just been sitting. I don't have the money to post anymore bond but I would be happy to reclaim some of the property to decrease the amount needed for bonding. Also, I own this property and I do not want anyone trespassing on it. I don't want you reclaiming any part of it. I am going to shape the land the way I want, it will be in accordance with what you require. However, I want flat areas no sloped hillsides. There will be some hillsides there but there is a large area that has been made flat that I want to keep flat. I don't care if anything grows on it because I eventually am going to build a shop or a house, after I have mined/reclaimed.

Is there a way to put the permit on standby or something along those lines? If you drive out there you can tell we haven't been out there for years. I can pay the past due amount of the permits but I don't think I will need a permit this year. What are the options?

Todd

From: "Paul Baker" <paulbaker@utah.gov>
Sent: Wednesday, June 02, 2010 10:49 AM
To: <todd@computersales.com>
Cc: "Wayne Western" <waynewestern@utah.gov>
Subject: Gulch Mine Bond

> Todd--

>

> In December, we sent you a letter requiring that you increase the
> reclamation bond for the Gulch mine by \$1300-\$1600, and we haven't had a
> response. We asked that you submit the additional surety by February 15.
> I left you a voice message about this in April.

>

> What can you tell me about the status of submittal of the bond and your
> plans for the site?

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> In addition, we haven't received the permit fee since the original one in
> 2005. The fee for 2010-2011 will be due at the end of July, so the total
> amount due will be \$750.

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- > If we don't receive a response, we could be forced to revoke the permit,
- > collect the bond, and do the reclamation ourselves, but please believe me
- > when I say we don't want to do that.
- >
- > Paul Baker
- > Minerals Program Manager
- > Utah Division of Oil, Gas and Mining
- > 801-538-5261
- > Fax 801-359-3940
- >
- >

CC: Western, Wayne